

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Tony Hammond, Vice Chairman;
Mark Acton; and
Nanci E. Langley

Competitive Product Prices
Global Reseller Expedited Package Services 2
(MC2013-51)
Negotiated Service Agreements

Docket No. CP2016-89

ORDER APPROVING MODIFICATION THREE TO
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2 NEGOTIATED SERVICE
AGREEMENT AND DENYING AS MOOT MOTIONS FOR TEMPORARY RELIEF

(Issued March 28, 2018)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

¹ Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Three to a Global Reseller Expedited Package Contracts 2 Negotiated Service Agreement, March 26, 2018 (Notice). The modification is an attachment to the Notice (Modification). See also Motion of the United States Postal Service for Temporary Relief Concerning Global Reseller Expedited Package 2 Negotiated Service Agreement, March 22, 2018 (March 22 Motion); Supplemental Notice Concerning the Motion of the United States Postal Service for Temporary Relief Concerning Global Reseller Expedited Package 2 Negotiated Service Agreement, March 23, 2018 (Supplement to March 22 Motion).

In Order No. 3008, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).² On March 22, 2018, the Postal Service filed a motion for temporary relief seeking to extend the Existing Agreement until the Commission concluded its review of a successor agreement. See March 22 Motion at 1. On March 23, 2018, the Postal Service filed a supplemental notice instead seeking to extend the Existing Agreement until April 30, 2018. Supplement to March 22 Motion at 1. On March 26, 2018, the Postal Service filed a second motion for temporary relief along with notice that it has agreed to the Modification to extend the Existing Agreement until April 30, 2018. Notice at 1.

II. COMMISSION ANALYSIS

The Commission has reviewed the March 22 Motion, the Supplement to March 22 Motion, the Notice, and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

² See Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, January 8, 2016 (Order No. 3008). The contract was later modified. See Order Approving Modification to a Global Reseller Expedited Package Services 2 Negotiated Service Agreement, January 12, 2017 (Order No. 3750); Order Approving Modification Two to Global Reseller Expedited Package Services 2 Negotiated Service Agreement and Denying as Moot Motion for Temporary Relief, February 22, 2018 (Order No. 4417).

The Existing Agreement is set to expire March 31, 2018.³ The Modification revises the expiration date of the contract to April 30, 2018. Notice at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. The Existing Agreement, as modified, is set to expire April 30, 2018. *Id.* If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the motions for temporary relief are denied as moot.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, April 30, 2018.
3. The Postal Service's motions for temporary relief are denied as moot.

By the Commission.

Stacy Ruble
Secretary

³ See Order No. 3008 at 5 (setting original expiration date as January 31, 2017); Order No. 3750 at 4 (revising expiration date to February 28, 2018); Order No. 4417 at 3 (revising expiration date to March 31, 2018).